

2005 DRAFTING REQUEST

Bill

Received: **09/27/2004**

Received By: **rryan**

Wanted: **As time permits**

Identical to LRB:

For: **Administration-Budget**

By/Representing: **Koskinen**

This file may be shown to any legislator: **NO**

Drafter: **rryan**

May Contact:

Addl. Drafters:

Subject: **Gambling - lottery**

Extra Copies:

Submit via email: **NO**

Pre Topic:

DOA:.....Koskinen, BB0077 -

Topic:

Lottery Retailers Worker's Compensation Debt

Instructions:

See Attached

Drafting History:

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/?							State
/1	rryan 10/12/2004	kfollett 10/26/2004	pgreensl 10/26/2004		lnorthro 10/26/2004		State
/2	rryan 01/27/2005	kfollett 01/27/2005	rschluet 01/27/2005		mbarman 01/27/2005		

FE Sent For:

<END>

2005 DRAFTING REQUEST

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Received: 09/27/2004

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1?	rryan	11 kjl 10/26	10/26 p8	10/26 self			

FE Sent For:

<END>

BB0077

2003-05 Budget Bill Statutory Language Drafting Request

- Topic: Lottery Retailers Worker's Compensation Debt
- Tracking Code: (Assigned by Government Operations Team)
- SBO team: Tax & Justice
- SBO analyst: Sarah Justus
 - Phone: 7-6921
 - Email: sarah.justus@doa.state.wi.us
- Agency acronym: DOR
- Agency number: 566

**Statutory Language Request
Wisconsin Department of Revenue**

**TITLE: EXPAND LOTTERY RETAILERS CONTRACT REQUIREMENT TO COVER
WORKER'S COMPENSATION DEBTS**

DESCRIPTION OF CURRENT LAW AND PROBLEM

Currently, section 565.10(3)(b) of the Wisconsin Statutes prevents the department from entering into a contract for the sale of lottery tickets with a retailer that owes delinquent taxes to the Department of Revenue (DOR) under chapters 71, 72, 76, 77, 78, and 139 or delinquent unemployment insurance contributions to the Department of Workforce Development (DWD) under sections 108.16 or 108.10 of the Wisconsin Statutes. Employers can also owe delinquent debts to DWD for uninsured employer assessments under 102.82 or worker's compensation assessments under 102.49(5)(a) or 102.59(2) but there is no provisions to withhold lottery contracts for these debts.

RECOMMENDATION FOR ACTION

Expand the provisions of section 565.10(3)(b) to also cover delinquent assessments under 102.82, 102.49(5)(a) and 102.59(2).

ADMINISTRATIVE IMPACT

This will result in a small increase in the number of lottery contracts that are withheld initially, although it may also increase collections for these liabilities as retailers resolve their accounts in order to qualify for a lottery contract. Currently, there are approximately 5,000 employers that owe debts under the statutory provision mentioned above, compared to over 100,000 for delinquent taxes and approximately 10,000 for unemployment insurance debts. The Lottery currently has 4,200 contracts outstanding, most for three-year terms.

FAIRNESS /TAX EQUITY

The current statute prevents retailers from receiving a benefit from the state (a lottery contract) when they owe unpaid taxes or unemployment insurance contributions to the state. This proposal would expand this equitable situation to another category of debts that retailers might owe to the state.

IMPACT ON ECONOMIC DEVELOPMENT

We anticipate that this will have little impact on economic development. It is our experience that the majority of retailers challenged under the existing provision make arrangements to resolve their delinquencies and proceed on to obtain a lottery contract.

FISCAL EFFECT

The cost to implement this provision should be small since it only adds a small additional volume to an existing process. The Worker's Compensation Division of the Department of Workforce Development estimates that categories of employers that are likely to be

interested in lottery contracts owe over \$385,000 and collections of \$100,000 annually are likely if this provision is passed.

DRAFTING INSTRUCTIONS

Add the following language to 565.10(3)(b): "or who has been found delinquent in the payment of uninsured employer fund assessments issued by the worker's compensation division under s. 102.82 or found delinquent for payment of the assessments under s. 102.49(5)(a) and s. 102.59(2)."

EFFECTIVE DATE AND/OR INITIAL APPLICABILITY

The day after publication.

INTERESTED/AFFECTED PARTIES

Retailers interested in lottery contracts, DWD-Worker's Compensation.

DOR CONTACT PERSON

Vicki R. Siekert
vsiekert@dor.state.wi.us
(608) 266-9635

PREPARED BY Vicki R. Siekert



State of Wisconsin
2005 - 2006 LEGISLATURE

LRB-03077

RLR:

In 10/12/04

DOA:.....Justus, BB0077 - Lottery Retailers Worker's Compensation Debt
FOR 2005-07 BUDGET -- NOT READY FOR INTRODUCTION

RMR

D-note

Do Not Gen

1 AN ACT ...; relating to: contracts to sell lottery tickets.

Analysis by the Legislative Reference Bureau
GAMBLING

Under current law, DOR may enter into contracts with retailers to sell lottery tickets. However, DOR may not enter into lottery ticket sales contracts with retailers who are found delinquent in paying state taxes or who are delinquent in making contributions to the unemployment reserve fund. This bill prohibits DOR from entering into lottery ticket sales contracts with retailers who owe payments to the uninsured employers fund (which is used to pay compensation to injured employees of employers who do not have worker's compensation insurance) or who owe payments to the work injury supplemental benefit fund as a result of the death or maiming of an employee.

For further information see the *state* fiscal estimate, which will be printed as an appendix to this bill.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

- 2 SECTION 1. 565.10 (3) (b) of the statutes is amended to read:
- 3 565.10 (3) (b) No lottery retailer contract may be entered into with a person who
- 4 has been finally adjudged to be delinquent in the payment of taxes under ch. 71, 72,

1) 76, 77, 78, or 139 ~~or~~, who has been found delinquent in the payment of contributions
2 to the unemployment reserve fund under s. 108.16 in a proceeding under s. 108.10,
3 or who owes a payment to the uninsured employers fund under s. 102.82 or to the
4 work injury supplemental benefit fund under s. 102.49 (5) (a) or 102.59 (2) if the
5 person remains ~~delinquent in the payment of~~ liable for those taxes ~~or~~, contributions,
6 or payments at the time the person seeks to enter into the lottery retailer contract.

7 History: 1987 a. 119, 399; 1989 a. 172; 1991 a. 39, 269; 1993 a. 112; 1995 a. 27; 1997 a. 27; 1999 a. 9.

(END)

O-Note

**DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU**

LRB-0307/1dn

RLR: [signature]

Date

Sarah Justus:

Does DOR want to limit application of the bill to new contracts and contract renewals?

Robin Ryan
Legislative Attorney
Phone: (608) 261-6927
E-mail: robin.ryan@legis.state.wi.us

DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU

LRB-0307/1dn
RLR:kjf:pg

October 26, 2004

Sarah Justus:

Does DOR want to limit application of the bill to new contracts and contract renewals?

Robin Ryan
Legislative Attorney
Phone: (608) 261-6927
E-mail: robin.ryan@legis.state.wi.us

Ryan, Robin

From: Kraus, Jennifer - DOA
Sent: Wednesday, January 26, 2005 4:55 PM
To: Ryan, Robin
Cc: Lashore, Patricia M
Subject: FW: LRB Draft: 05-0307/1 Lottery Retailers Worker's Compensation Debt

Follow Up Flag: Follow up
Flag Status: Flagged



dor act
revisions.doc

Robin - Has there been a redraft of this one? Thanks - Jenny

-----Original Message-----

From: Kraus, Jennifer - DOA
Sent: Thursday, January 20, 2005 11:52 PM
To: Ryan, Robin
Subject: FW: LRB Draft: 05-0307/1 Lottery Retailers Worker's Compensation Debt

Hi Robin - I'm forwarding comments from DOR on this draft. Jenny

-----Original Message-----

From: Lashore, Patricia M
Sent: Wednesday, January 19, 2005 2:54 PM
To: Kraus, Jennifer - DOA
Cc: Siekert, Vicki R; Hardt, Diane L; Gates-Hendrix, Sherrie; Collier, Dennis J; Brennan, Audra D; Amberson, James J
Subject: LRB Draft: 05-0307/1 Lottery Retailers Worker's Compensation Debt

Here are comments on this draft. The comments are from Brian Krueger at DWD/WC. As far as the question asked by the drafter, we believe the answer is yes because that's how it works now for DOR and UI.

76, 77, 78, or 139 or, who has been found delinquent in the payment of contributions to the unemployment reserve fund under s. 108.16 in a proceeding under s. 108.10, or who owes a payment to the uninsured employers fund under s. 102.82 and 102.85 or to the work injury supplemental benefit fund under s. 102.49 (5) (a) ~~, or 102.59 (2)~~ and 102.60 (5) (b) if the person remains delinquent in the payment of liable for those taxes or, contributions, or payments at the time the person seeks to enter into the lottery retailer contract.

(END)



State of Wisconsin
2005 - 2006 LEGISLATURE

LRB-0307/1

RLR:kjf:pg

DOA:.....Koskinen, BB0077 - Lottery Retailers Worker's Compensation
Debt

FOR 2005-07 BUDGET -- NOT READY FOR INTRODUCTION

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5 or who owes a payment to the uninsured employers fund under s. 102.82 or to the
6 work injury supplemental benefit fund under s. 102.49 (5) (a) or 102.59 (2) if the
7 person remains delinquent in the payment of liable for those taxes or, contributions,
8 or payments at the time the person seeks to enter into the lottery retailer contract.

9

→ insert 2-7

(END)

or 102.85(4)

or 102.60(5)(6)

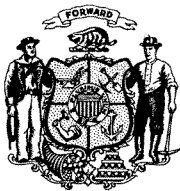
**2005-2006 DRAFTING INSERT
FROM THE
LEGISLATIVE REFERENCE BUREAU**

LRB-0307/2ins
RLR:.....

1 **Ins 2-7:** ✓

2 **SECTION 9341. Initial applicability; revenue.**

3 (1) LOTTERY TICKET SALES CONTRACTS. The treatment of section 565.10 (3) (b) of ✓
4 the statutes first applies to contracts entered into or renewed on the effective date
5 of this subsection. ✓



State of Wisconsin
2005 - 2006 LEGISLATURE

LRB-0307/2

RLR:kjf:rs

DOA:.....Koskinen, BB0077 - Lottery Retailers Worker's Compensation
Debt

FOR 2005-07 BUDGET -- NOT READY FOR INTRODUCTION

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SECTION 9341. Initial applicability; revenue.

(1) LOTTERY TICKET SALES CONTRACTS. The treatment of section 565.10 (3) (b) of the statutes first applies to contracts entered into or renewed on the effective date of this subsection.

(END)